

Exhibit 14

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Justin Boyer - March 3, 2020

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IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF PUERTO RICO

In Re:

THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD
FOR PUERTO RICO

as representative of
THE COMMONWEALTH OF PUERTO RICO, et. al,
Debtors.

PROMESA TITLE III
Case No.
17-BK-03283 (LTS)

In Re:

THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD
FOR PUERTO RICO

as representative of
THE EMPLOYEES RETIREMENT SYSTEM OF THE
GOVERNMENT OF THE COMMONWEALTH OF PUERTO RICO,
Debtor.

PROMESA Title III
Case No.
17-BK-03566 (LTS)

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Transcript of JUSTIN BOYER

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Reported by:

LORRAINE B. ABATE, CSR, RPR

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2 THE SPECIAL CLAIMS COMMITTEE OF THE FINANCIAL)
3 OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,) ADV. PROC. NO.
4 ACTING BY AND THROUGH ITS MEMBERS,) 19-00356 (LTS)
5 and)
6 THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS)
7 OF ALL TITLE III DEBTORS (OTHER THAN COFINA))
8 as co-trustees of)
9 THE EMPLOYEES RETIREMENT SYSTEM OF THE)
10 GOVERNMENT OF PUERTO RICO,)
11 Plaintiff,)
12 vs.)
13 DEFENDANT IM, et al.,)
14 Defendants.)

12 THE SPECIAL CLAIMS COMMITTEE OF THE FINANCIAL)
13 OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,) ADV. PROC. NO.
14 ACTING BY AND THROUGH ITS MEMBERS,) 19-00357 (LTS)
15 and)
16 THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS)
17 OF ALL TITLE III DEBTORS (OTHER THAN COFINA),)
18 as co-trustees of)
19 THE EMPLOYERS RETIREMENT SYSTEM OF THE)
20 GOVERNMENT OF PUERTO RICO,)
21 Plaintiff,)
22 vs.)
23 STOEVEER GLASS & CO., et al.,)
24 Defendants.)

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1 _____
2 THE SPECIAL CLAIMS COMMITTEE OF THE FINANCIAL)
3 OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,) ADV. PROC. NO.
4 ACTING BY AND THROUGH ITS MEMBERS,) 19-00359 (LTS)
5 and)
6 THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS)
7 OF ALL TITLE III DEBTORS (OTHER THAN COFINA),)
8 as co-trustees of)
9 THE EMPLOYEES RETIREMENT SYSTEM OF THE)
10 GOVERNMENT OF PUERTO RICO,)
11 Plaintiff,)
12 vs.)
13 DEFENDANT 1H-78H,)
14 Defendants)
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2 THE SPECIAL CLAIMS COMMITTEE OF THE FINNCIAL)
3 OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,) ADV. PROC. NO.
4 ACTING BY AND THROUGH ITS MEMBERS,) 19-00361 (LTS)
5 and)
6 THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS)
7 OF ALL TITLE III DEBTORS (OTHER THAN COFINA),)
8 as co-trustees of)
9 THE EMPLOYEES RETIREMENT SYSTEM OF THE)
10 GOVERNMENT OF PUERTO RICO,)
11 Plaintiff,)
12 vs.)
13 DEFENDANT 1G-50G, et. al.,)
14 Defendants.)
15 _____

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1 _____
2 THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD)
3 FOR PUERTO RICO,) ADV. PROC. NO.
4 as representative of) 19-00366(LTS)
5 EMPLOYEES RETIREMENT SYSTEM OF THE GOVERNMENT)
6 OF THE COMMONWEALTH OF PUERTO RICO,)
7 and)
8 THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS)
9 OF ALL TITLE III DEBTORS (OTHER THAN COFINA),)
10 as Section 926 trustee of)
11 THE COMMONWEALTH OF PUERTO RICO,)
12 Plaintiffs,)
13 vs.)
14 ANDALUSIAN GLOBAL DESIGNATED)
15 ACTIVITY COMPANY, et. al,)
16 Defendants.)
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1 _____
2 THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD)
3 FOR PUERTO RICO) ADV. PROC. NO.
4 as representative of) 19-00367 (LTS)
5 EMPLOYEES RETIREMENT SYSTEM OF THE GOVERNMENT)
6 OF THE COMMONWEALTH OF PUERTO RICO,)
7 and)
8 THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS)
9 OF ALL TITLE III DEBTORS (OTHER THAN COFINA),)
10 as Section 926 trustee of)
11 THE COMMONWEALTH OF PUERTO RICO,)
12 Plaintiffs,)
13 vs.)
14 GLENDON OPPORTUNITIES FUND, L.P., et. al,)
15 Defendants.)
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TRANSCRIPT of the stenographic notes of the deposition of JUSTIN BOYER in the above-entitled matter, as taken by and before LORRAINE B. ABATE, a Certified Shorthand Reporter and Notary Public of the State of New York and Registered Professional Reporter, held at the offices of Proskauer & Rose, LLP, 11 Times Square, New York, New York, on March 3, 2020, commencing at time 1:15 p.m., pursuant to Notice.

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2 THE VIDEOGRAPHER: Here begins Media
3 Unit 1, Volume 1, in the deposition of
4 Mr. Justin Boyer, In re: The Financial
5 Oversight and Management Board for Puerto Rico,
6 et al., versus Defendant 1G-50G, et al., in the
7 United States District Court, for the District
8 of Puerto Rico, Case No. 17-BK-3283.

9 Today's date is March 3rd, 2020. The
10 time is approximately 1:16 on the monitor. This
11 deposition is being taken at Proskauer, 11 Times
12 Square, New York, New York 10036.

13 My name is Steve Decanio, and I'm the
14 legal video specialist. The court reporter
15 today is Lorraine Abate. We are both from
16 Gregory Edwards, LLC.

17 Attorney appearances will be noted on
18 the stenographic record.

19 At this time the court reporter will
20 please swear in the witness so we may begin.

21 (Transcript continues on the next page.)
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2 J U S T I N C H A R L E S B O Y E R ,

3 Having been first duly sworn by a Notary

4 Public of the State of New York, was

5 examined and testified as follows:

6 EXAMINATION BY MR. BASSETT

7 Q. Good afternoon, Mr. Boyer. My name is
8 Nick Bassett. I'm a lawyer at Paul Hastings which
9 represents the Official Committee of Unsecured
10 Creditors in the Title III cases for ERS and other
11 instrumentalities in the Commonwealth of Puerto Rico.

12 Have you ever been deposed before?

13 A. No.

14 Q. So -- and by the way, have you ever gone
15 by any other names currently or in the past?

16 A. No.

17 Q. Okay. So just to give you a sense of
18 how today will proceed, I'm going to ask you a series
19 of questions. I would just expect that your answers
20 be clear and audible for the court reporter to
21 understand.

22 I would ask that you please let me
23 finish asking my question before you respond to make
24 her job easier. And then also, try to keep your
25 responses verbal instead of nodding or shaking of the

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2 discuss internally. At the point in time, my
3 opinion -- I mean, we bought the bonds. We came to
4 the conclusion that this was not a material risk.

5 Q. You would never buy bonds that involve
6 material risks; is that what you're saying?

7 MS. McGONIGLE: Objection.

8 A. I don't know how to answer.

9 Q. Well, is it possible that you would have
10 concluded that there was a material risk that the
11 bonds were voidable, but you, nevertheless, purchased
12 the bonds?

13 A. No. I mean, if you thought the risk was
14 material, and it wasn't -- yeah, you wouldn't buy the
15 bonds.

16 Q. There is no price at which --

17 A. No.

18 Q. -- you would buy the bonds?

19 A. No.

20 Q. So clearly, at the time you wrote this
21 e-mail, in August of 2018, you had reviewed the
22 enabling act for the ERS bonds, correct?

23 MS. McGONIGLE: Objection. Are you
24 talking about the entire act?

25 MR. BASSETT: Fair.

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2 Q. Clearly, at the time you sent this
3 e-mail in August of 2018, you had reviewed the
4 section of the ERS enabling act entitled Investment
5 and Reinvestment of Reserves, which is -- which has
6 been reproduced in this e-mail; is that correct?

7 A. I reviewed what I copied and pasted in
8 this e-mail.

9 Q. At what time did you first review that
10 language that you copy and pasted in this e-mail?

11 A. It was around the time the discussion
12 document was produced.

13 Q. When was it -- and I'm not -- I wouldn't
14 ask this question if I thought I had the answer in
15 front of me, but when was the discussion document
16 produced?

17 A. It's on the header of the document.

18 Q. Okay. Does August, like, mid
19 August 2018 sound right?

20 A. Yeah. I mean, if that's what it says.

21 Q. If you look at the paragraph underneath
22 the language from the enabling act that you quoted,
23 it says "As you can see, the word assets isn't
24 defined, but given that this is under the section
25 about investment and reinvestment of reserves, one

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2 could make the argument that it is contemplating
3 raising debt secured by existing assets in the
4 system. "

5 Do you see that?

6 A. Yes.

7 Q. So when you say that you are -- you're
8 highlighting the fact that this excerpted language is
9 under the section about investment and reinvestment
10 of reserves, that suggests to me that you had also
11 reviewed other sections of that document at that
12 time; is that correct?

13 A. What makes you draw that conclusion?

14 Q. Well, because you're highlighting a
15 particular section of many sections of the document.

16 A. What I probably did here was a word
17 search for the word debt.

18 Q. Okay. Who is -- and in the last
19 paragraph of this document, you say "What Noah was
20 referencing," and then you go on.

21 Who is Noah?

22 A. Noah is Noah Kolatch, Jon Kolatch's son.

23 Q. Does he work for Redwood?

24 A. No.

25 Q. So were you talking to Noah about the

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2 enabling act that existed at the time of the ERS bond
3 issuance in 2008.

4 Have you ever seen this document?

5 A. So I just want to clarify. The enabling
6 act that I have in this discussion document is
7 definitely the one that I could speak that I looked
8 at or referenced. How I came to find the enabling
9 act was I did a Google search for enabling act of
10 ERS, and I think on the GDB website they have some
11 key documents like the bond resolution and whatnot,
12 so that's what I relied on.

13 But this particularly, can I say that I
14 read this? It does not look familiar in that there
15 are strike throughs on text and such.

16 Q. Can you go to page 4 of the document,
17 please.

18 A. Sure.

19 Q. The top of the page it says "We must
20 note that the system was involved in the bond issue
21 transaction amounting to \$3 billion. Such
22 transaction was so badly structured that rather than
23 yielding profits, it resulted in tremendous losses
24 that have accelerated the demise of the retirement
25 system. The bond issue was illegally made by the

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2 system's administration, even though such transaction
3 was submitted to the Legislative Assembly for
4 approval and rejected by the House of Representatives
5 for deeming it detrimental to the system."

6 Do you see that?

7 A. I do. Was this passed, by the way?

8 Q. Do you recall -- let me ask you, do you
9 recall ever having seen this before?

10 A. No.

11 Q. Are you aware that the Legislative
12 Assembly of Puerto Rico made the statement that the
13 2008 ERS bond issue had been illegally made?

14 MS. McGONIGLE: Objection.

15 A. I was not aware of that.

16 Q. If you go to page 12 of this document,
17 it says Section 7. And then it says, Section 1 -- or
18 sorry. "Section 4-105 of Acts No. 447 of May 15,
19 1951, as amended, is hereby amended to read as
20 follows."

21 Do you see that?

22 A. Yeah.

23 Q. And then D says "Authorization to incur
24 debt."

25 This language begins in a manner that

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2 you may recognize from the prior version of the
3 enabling act that you copied in your e-mail that we
4 have been discussing, but there is a second sentence
5 that now says "Bond issues are hereby prohibited as
6 part of the direct placement of debts secured with
7 the assets of the system."

8 Do you see that?

9 A. Yep.

10 Q. Were you aware that the Puerto Rico
11 Legislative Assembly amended the enabling act to
12 include that language that I just read to you?

13 MS. McGONIGLE: Objection.

14 A. I was not aware of it.

15 Q. Was anyone at Redwood aware of it?

16 A. To my knowledge, no.

17 Q. When I asked you about the statement we
18 looked at earlier in this document, was anyone at
19 Redwood aware of the statement that the bond issuance
20 in 2008 was illegally made?

21 MS. McGONIGLE: Objection.

22 A. Wait. Can you just repeat that.

23 Q. Well, I just want to make sure that
24 we're clear on the way I asked the question.

25 I think I asked if you had been aware of

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2 the statement by the Legislative Assembly that the
3 bond issuance was illegally made.

4 What I'm asking now is whether anyone at
5 Redwood was aware of that.

6 MS. McGONIGLE: Objection.

7 A. I would say to my knowledge, no one at
8 Redwood was aware of statements by the legislature
9 that this was illegally issued, or that the bond was
10 illegally issued, no.

11 Q. Did you ever discuss -- strike that.

12 Does Redwood have an understanding of
13 whether or not moving forward after -- now that the
14 act has been amended to include this language, of
15 whether ERS can still issue bonds?

16 MS. McGONIGLE: Objection. Calls for a
17 legal conclusion. You can answer.

18 A. I agree, it calls for a legal
19 conclusion. I'm not...

20 Q. Well, this language says "Bond issues
21 are hereby prohibited as part of the direct placement
22 of debt secured assets to the system."

23 Do you see that?

24 A. We're on page 12 again?

25 Q. Yeah.

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2 A. Page 12. What do you want me to --

3 Q. I'm just asking if Redwood has any
4 understanding if, given that inclusion of the
5 language in the statute, going forward, after this
6 amendment in 2011, ERS continued to have the ability
7 to publicly issue bonds.

8 MS. McGONIGLE: Objection.

9 A. Like I said, I haven't read this, I
10 haven't seen it. So I can't state what -- we haven't
11 done any analysis on this.

12 Q. Okay.

13 (Boyer Exhibit 11, Official Statement
14 for ERS Bonds, marked for identification, as of
15 this date.)

16 Q. Mr. Boyer, do you recognize this
17 document?

18 A. It looks to be the official statement.

19 Q. For the ERS bonds?

20 A. For the -- yes.

21 Q. Earlier, we were talking about Redwood's
22 response to an interrogatory that asked -- actually,
23 strike that.

24 Earlier, we were talking about a
25 statement that Redwood made in counterclaims in this